

# **Construction Manager Agreement with PCL Constructors Canada Inc. for Construction Management Services at Toronto Stadium in Support of the FIFA World Cup 2026 Hosting**

**Date:** July 5, 2024

**To:** FIFA World Cup 2026 Subcommittee

**From:** Executive Director, World Cup Hosting 2026 and Chief Procurement Officer

**Wards:** 10 - Spadina-Fort York

## **REASON FOR CONFIDENTIAL INFORMATION**

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The attachment to this report is consists of details to be applied to negotiations to be carried on by or on behalf of the City of Toronto.

## **SUMMARY**

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The purpose of this report is to advise of the results of negotiated Request for Proposals (nRFP) nRFP-0003 for Toronto Stadium - Construction Manager services (in a CCDC 5B with Supplementary conditions form) at Toronto (BMO) Stadium, and request the authority to enter into an agreement with PCL Constructors Canada Inc. in the amount of \$1,103,241.60 net of taxes and charges (\$993,503.23 net of Harmonized Sales Tax recoveries) and meets current projected budget targets.

Adoption of the recommendations in this report at the July 16, 2024 Executive Committee meeting is required in order to permit the work to proceed in accordance with critical project timelines. This contract includes the preconstruction planning and procurement of all suppliers and sub-trades required to meet the scope of services for permanent and semi-permanent upgrade to BMO Stadium.

**RECOMMENDATIONS**

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The Executive Director, World Cup Hosting 2026, and Chief Procurement Officer recommend that:

- 1. Executive Committee, in accordance with Section 195-8.4A of Toronto Municipal Code Chapter 195 (Purchasing By-Law), grant authority to the Executive Director, World Cup Hosting 2026 to award the following contract with PCL Constructors Canada Inc., in the amount of \$1,103,241.60 net of taxes and charges (\$993,503.23 net of Harmonized Sale Tax recoveries), for Preconstruction and Construction Management Services (CCDC 5B with Supplementary conditions) at Toronto (BMO) Stadium, all in accordance with the terms, conditions, and specifications contained in the Request for Proposals document, and such other and amended terms and conditions as may be satisfactory to the Executive Director, World Cup Hosting 2026, and in a form satisfactory to the City Solicitor and with the preconstruction portion completed prior to the commencement of the 1st phase of construction, starting in December 2024.
  
- 2. Executive Committee direct that Confidential Attachment 1 remain confidential in its entirety as at this time it contains financial information that belongs to the City of Toronto and has monetary value or potential monetary value, and it pertains to criteria to be applied to negotiations carried on or to be carried on by or on behalf of the City of Toronto and be made public at the discretion of the Chief Procurement Officer following the award or closing of the contemplated procurement transactions.

**FINANCIAL IMPACT**

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Funding for 2024 expenditures in the amount of \$993,503.23 net of HST recoveries is included in the Exhibition Place's 2024-2033 Capital Budget and Plan for the FIFA World Cup 2026 for the BMO Field Upgrades capital project. These costs will be fully funded by the Capital Financing Reserve (XQ0011) in 2024. A GMP (Guaranteed Maximum Price) contract will be brought forward in 2024 for consideration as part of future year capital budget submissions from Exhibition Place for the BMO Field Upgrades capital project required for hosting the FIFA World Cup 2026. Funding details are summarized in Table 1 as follows:

**Table 1: Financial Impact Summary of Recommended Contract**

FIFA World Cup 2026 – Exhibition Place Cost Centre/ WBS : CEX131-51 Commitment Item: 4220	Amount Net of HST Recoveries
2024 - Preconstruction Management	\$ 993,503.23

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

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On June 18, 2024, Executive Committee adopted EX15.13, "Amending FIFA World Cup 2026 Subcommittee Mandate", which renamed the subcommittee as "FIFA World Cup 2026 Subcommittee" to broaden its mandate to consider all FIFA related matters including the oversight of the budget, and further consider and make recommendations on procurement plans.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX15.13>

On April 9, 2024, Executive Committee adopted EX13.16, "Establishing a FWC26 Financial Oversight Subcommittee", which established a subcommittee with the mandate to provide oversight of the budget, review spending plans and expenditures, and consider procurement and community benefits matters related to FWC26.

[Agenda Item History - 2024.EX13.16 \(toronto.ca\)](https://secure.toronto.ca/council/agenda-item.do?item=2024.EX13.16)

On February 29, 2024, Executive Committee adopted as amended EX12.2, "Update on Hosting FIFA World Cup 2026" providing an update on hosting the FIFA World Cup 2026 in Toronto including: planning, financial status, economic and community benefits, and intergovernmental negotiations, which was considered by Council at its meeting on March 20, 2024.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX12.2>

On July 19, 2023, City Council adopted EX6.25, "Non-competitive Contract with Gensler Architecture & Design Canada Inc. for Architectural Services for the FIFA World Cup 2026 Toronto Capital Project at BMO Field", which included a request to report back to City Council on key aspects and plans of FWC26.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX6.25>

On July 19, 2022 City Council adopted EX34.8, "Hosting FIFA World Cup 2026", which directed staff to enter into negotiations on funding agreements and stadium construction and to collaborate with other City Divisions on implement the World Cup strategy and report back on community benefit opportunities, budget impacts, intergovernmental negotiations, financial strategy, community engagement and activation of the Secretariat and working groups, community benefits opportunities, and intergovernmental negotiations.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.EX34.8>

## COMMENTS

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### Background

The subject of this report is the selection of the contractor for the provision of the preconstruction management services required to meet FIFA's hosting requirements. Approval of this selection is required in order to proceed to preconstruction planning and sub-contractor procurement.

As per the Letter of Intent between the City of Toronto and Maple Leaf Sports & Entertainment (MLSE), the public procurement was undertaken by MLSE working as an agent of the City of Toronto, in consultation with the City's Purchasing and Materials Management Division and Legal Services. A Request for Qualification for Construction Management Services (RFQ003) was issued on the MERX platform on December 5, 2023, and closed January 5, 2024. A total of five (5) submissions were received and evaluated by a panel consisting of MLSE, their project management team CAA ICON, and City staff, resulting in the identification of four prequalified vendors.

The four prequalified vendors were issued a Negotiated Request for Proposal (nRFP003) on February 26, 2024, with a closing date of April 17, 2024.

Two proposals were received and evaluated by a panel consisting of internal and external staff, with the City's Chief Procurement Officer as an observer.

The nRFP was structured as a "two-envelope" process. The submissions included a detailed Technical Proposal (Envelope 1) and a separate sealed envelope (Envelope 2) with a Price Form. The selection process stipulated that Envelope 2 would not be opened until the evaluation of the Technical Proposals had been completed.

A minimum threshold score of 60% percent was required for proponents to proceed to have their Price Form Envelope opened and evaluated.

Both proposals submitted passed the minimum threshold score of 60%, which allowed them to proceed to the Price Form evaluation. The highest-scoring proponent was PCL Constructors Canada Inc with an overall score of 91% (Technical Proposal Score + Price Form Score).

Pre-construction planning and procurement of subcontracts commence immediately upon award of the CCDC 5B contract. The procurements for subcontracts will be undertaken in an open, transparent manner, and will also include requirements to honour the City's collective agreements within the ICI sector. Completion of this phase is anticipated by the start of Q3 2024 to enable the first on-site phase of work to begin in December of 2024.

The recommended proponent, PCL Constructors Canada Inc. is a major Canadian constructor with vast experience constructing sporting facilities.

The final agreement to be negotiated with PCL Constructors Canada Inc. will be based on the requirements of the nRFP and such other terms and conditions as may be satisfactory to staff.

## **Community Benefit and Legacy Plans**

Toronto's Host City goals are driven by the positive benefits and legacies that FWC26 will bring to the city and its residents. Toronto's position as a diverse global city presents a unique platform to realize benefits and legacy goals sought by FIFA and government partners. Led by the FWC26 Toronto Secretariat, the City is developing strategies specific to targeted community benefit and legacy plans and will be providing an update on these plans at July 16, 2024 Executive Committee.

One foundational element of this approach is alignment with existing City of Toronto priorities and policies, including, but not limited to, the Community Benefits Framework, Social Procurement Policy (which includes supply chain diversity and workforce development components) and Fair Wage Policy.

Development of community benefit and legacy plans requires and depends on cooperation, coordination, and communication across a wide variety of partners, stakeholders and broader community input. An initial step by the Secretariat as it relates to procurement has included consultation with Purchasing and Materials Management Division (PMMD) and the Community Benefits Unit, within Social Development, Finance and Administration (SDFA) to ensure best practices and integration of policies related to fair wage and social procurement (supply chain diversity and workforce development) are used in Host City goods and services contracts.

The recommended proponent is required to participate in the City of Toronto's Social Procurement Program. As part of the program, PCL Constructors Canada Inc is to adopt a supplier diversity policy that outlines the means to improve supplier diversity and they are required to submit a Workforce Development Plan.

As part of the procurement requirements, proponents' bids were required to confirm acceptance and compliance with existing Collective Agreement applicable to the work. The Fair Wage Office confirms the recommended proponent understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

## **CONTACT**

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## **SIGNATURE**

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